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FM AMEMBASSY SANTIAGO  
TO RUEHC/SECSTATE WASHDC 4525  
INFO RUEHAC/AMEMBASSY ASUNCION 3809  
RUEHBO/AMEMBASSY BOGOTA 2317  
RUEHBU/AMEMBASSY BUENOS AIRES 1324  
RUEHBR/AMEMBASSY BRASILIA 0717  
RUEHCV/AMEMBASSY CARACAS 1963  
RUEHPE/AMEMBASSY LIMA 6005  
RUEHMN/AMEMBASSY MONTEVIDEO 4260  
RUEHQT/AMEMBASSY QUITO 2188  
RUEAIIA/CIA WASHDC  
RHEFDIA/DIA WASHDC  
RHEHNSC/NSC WASHDC  
RUEATRS/DEPT OF TREASURY WASHDC  
RUCPDOG/DEPT OF COMMERCE WASHDC

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SIPDIS

STATE FOR R/MR, I/PP, WHA/BSC, WHA/PDA, INR/IAA

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TAGS: [KMDR](#) [KPAO](#) [PGOV](#) [ECON](#) [PREL](#) [SNAR](#) [EFIN](#) [CI](#)

SUBJECT: CHILE MEDIA REPORT - FEBRUARY 26

#### Leading Stories

[1](#)1. Finance Minister Andres Velasco's two-year old daughter has come out of an induced coma and is interacting normally with her parents. Dailies also report the government's announcement to rebuild the town of Chaiten 12 kilometers from the volcano.

#### U.S.-Related News

[1](#)2. The Department of State annual human rights report included the Mapuche conflict with lumber companies, the number of women killed as a result of domestic violence, and overpopulation of prisons as the most critical issues in this area. The report cites the case of a Mapuche who was shot and killed on January 3 by the police as he occupied privately-owned land and destroyed harvests. The report noted that although a police officer was indicted, the case is still pending in court and the individual remains free (La Tercera, conservative, independent, circ. 101,000, 2/26).

[1](#)3. Headline: "The United States criticizes Chile over Indigenous Mapuche Conflict and Prisons" (El Mercurio, conservative, influential newspaper-of-record, on-line edition, 2/26).

[1](#)4. In its annual human rights report, the United States says the GOC respects the human rights of its citizens, but points out "isolated" cases of "excessive police force" (Government-owned, editorially independent, La Nacion, circ. 4,200, 2.26).

#### Brazil

[1](#)5. Secretary of State Hillary Clinton met yesterday with her Brazilian counterpart Celso Amorim. Amorim said after the meeting he had underscored "the importance of political diversity in Latin America" and the region's change in stance with regard to Cuba, which joined the Rio Group. The meeting with Amorim is yet another sign of the importance that the Obama administration is assigning to its ties with Brazil. Lula has become the leader of the moderate left in the region and could become a valuable interlocutor concerning U.S. ties with Latin America and in countering Hugo Chavez' radical policies. Obama's support is also important for Brazil, which wants to occupy a permanent seat in the UNSC (El Mercurio, 2/26).

#### Economy

[1](#)6. Stock market analysis webpage "Seeking Alpha" states the United

States should take a lesson from Chile's responsible fiscal policy to confront the financial crisis (La Nacion, 2/26).

¶7. An IDB survey revealed Chile has spent only 34% of income accumulated over the years prior to the financial crisis, when the price of copper was at a record high. The seven largest economies in the region have spent up to 77% of their income. This puts Chile in a better position to confront today's economic crisis (Estrategia, 2/26).

¶8. Chile's Securities and Insurance Supervisor (SVS) figures show that contrary to pessimistic expectations, the 15 companies that conform the stock market's IPSA index obtained 7% higher profits on average in the last quarter of 2008 (El Mercurio, 2/26).

SIMONS